

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

SENATE, No. 2425

STATE OF NEW JERSEY

DATED: JANUARY 24, 2013

The Assembly Budget Committee reports favorably Senate Bill No. 2425.

This bill expands the permissible use of project labor agreements (PLAs) beyond contracts for building-based public works projects.

Current law allows a public entity to use a PLA for public works projects that are:

1. Worth at least \$5 million (excluding land acquisition costs);
2. Subject to the prevailing wage law; and
3. For the construction, reconstruction, demolition, or renovation of buildings at the public expense.

Current law does not extend the capacity of public entities to use PLAs for highway, bridge, pumping station, and water and sewage treatment plant projects.

This bill expands the permissible use of PLAs beyond building-based public works contracts so as to allow public entities to use PLAs for highway, bridge, pumping station, and water and sewage treatment plant projects.

Technically, the bill revises the definition of “public works project” under P.L.2002, c.44 (C.52:38-1 et seq.) to remove the exclusion of non-building-based projects. By revising the definition of “public works project,” the bill extends the option of using a PLA to projects excluded under current law, such as highways, bridges, pumping stations, and water and sewage treatment plants. The bill does not change the requirements that a PLA eligible project must be worth at least \$5 million and be subject to the prevailing wage law.

FISCAL IMPACT:

This bill is not certified as needing a fiscal note.